PLANNING AND CALIFORNIA'S FUTURE: GETTING INTO THE BIGGER PICTURE OF GROWTH, RESOURCES AND SUSTAINABILITY

A Policy Concept Paper for Integrating Local and Regional Planning to Leverage Smart Public and Private Infrastructure Investments

Abstract:

The challenges presented by looming growth, piecemeal management of land and natural resources, emerging changes in climate, limited advances in environmental protection, shortages in public funding and pervasive institutional fragmentation require a new holistic approach to regional planning that can guide public and private infrastructure investment decisions. With locally-informed regional planning that is more comprehensive, inclusive and integrated, public and private fiscal capacities can be leveraged for better project selection and investment outcomes.

Current planning approaches often perpetuate the separate "silos" associated with a particular jurisdiction or narrow interests. Predictably, these efforts promote projects that are evaluated based on project outputs rather than project outcomes as they may affect larger, overall system conditions.

This paper calls for a shift from "silo" planning and comparing project outputs to comprehensive planning and comparing project and system outcomes. This paper uses water resource planning as an example of this systemic regional planning, but any complex, regional system such as transportation or air quality or open space planning would work as well.

In order to make this goal of comprehensive planning throughout California real, this paper calls for dedicated State funding of regional Blueprint planning. Blueprint planning is a vehicle for regions to do the planning work necessary to identify system goals and coordinate with the governments and agencies needed to achieve those goals. With those plans in place, the State is assisted in making funding decisions that will best support the region's goals and make best use of limited tax dollars and better leverage related private investments.

Without this wider understanding of regional limits and opportunities, institutional capacities will remain disconnected and conflicted. Without this higher level of planning, it is doubtful that steadily growing regions will be environmentally sustainable. Without an appreciation for the interrelationships of land use, mobility, air quality, housing, waste management, water resources and other natural resources, conventional planning efforts will fail to successfully meet the daunting challenges every urban region faces.

Actions Recommended in this Paper:

- Integration of infrastructure and resource management planning within a performance-based regional *Blueprint* planning framework
- Dedication of state and federal funding to advance regional *Blueprint* and related local planning efforts that advance system-wide environmental sustainability
- Priority state and federal funding for projects that coordinate with comprehensive regional *Blueprint* and related local planning and that are financially constrained, performance-based and leverage local and private sector investments

Without visionary planning and creative actions, a sustainable future for California's is in doubt. This danger is fueled by demographics that project a 2050 population in California of nearly 60 million residents, people who will make their claims on our ecosystem resources and, without changes,

contribute to severe environmental challenges such as growing green house gas emissions, climate change and other adverse living conditions. In the face of these challenging realities, elected and other leaders have relied on decision systems that produce piecemeal efforts with stop-gap measures rather than on better policy systems that are guided by comprehensive, long-term planning. Without new kinds of system thinking we can only expect that California's future will remain very uncertain. It will only confirm that anecdotal wisdom: We can't continue to do what we're doing and expect different results.

With some $43 billion in state infrastructure bonds approvals in 2006 the State has struggled with the process of funding a hodge-podge of projects that somehow survive intense short-range political bargaining. This strongly suggests that we need a better, more comprehensive context for investing our tax dollars wisely for long-term benefits: a context that brings together our future transportation, housing, open space and habitat, air quality, solid waste, water and emergency preparedness needs. As one example, we need planning and investing that goes beyond the challenge of getting competitive water agencies to collaborate, to one of multi-disciplinary planning and shaping of the regional growth in metropolitan area watersheds. This means taking a leap to a new level of integration in order to maximize investment yields and to address our inevitable growth. That new level is something now emerging as *"Regional Blueprint"* planning.

The *Blueprint* concept represents a natural evolution towards holistic planning and implementation. In the water policy area, the Clean Water Act gave rise to "areawide planning"; this was later supplanted by "continuous comprehensive planning" that is now rarely continuous or comprehensive. Alternatively, the *Blueprint* concept brings forward a full menu of issues, along with stakeholders who can forge planning and implementation partnerships. The long-term payoff for this path is a much higher return on our public and private investments in the form of creative projects with prospects for multiple public benefits.

With a *Blueprint* strategy we would have a framework in which all the 2006 bond measures (parks, water resources, transportation, housing, education and flood protection) could be considered as one resource with six inter-related elements. These resources can be leveraged for multiple benefit outcomes because of coordinated regional planning strategies, avoided costs and the long-term economies of innovative implementation. With the water and flood protection elements, for example, this planning framework can align funding with land use and other regional objectives that are consistent with safety and environmental sustainability and prevent greater infrastructure losses and mitigation expenses later.

Other examples of integrated planning could be the smart investment in an education facility that brings energy and water conservation, along with better learning environments for training our work force to better compete in the global economy; or the innovative housing development that contributes open spaces to a community and saves stormwater for infiltration and reuse; or the coordinated land use and transportation investments that lower the demand for the vehicle usage that requires very expensive infrastructure, increases greenhouse gas pollution and often brings harmful health impairments. Indeed, this kind of planning extends the usefulness of limited resources by anticipating collateral impacts and avoiding many of the costs caused by piecemeal planning that later requires mitigation and retrofitting.

Resource Implications of Growth

Though growth and development are not forces which can be stopped, they are forces that can yield many benefits when managed effectively. Global urbanization is impacting every metropolitan area in the world. With people flowing into cities by the tens of millions we are seeing the greatest migration in human history. The structure of urban form itself is changing as a result, with individual cities merging into vast, integrated metro regions. In many parts of the world, these mega-regions are beginning to

supplant nations as the main drivers of the global economy. This concentration of people in urbanized areas can have positive or negative effects on the use of resources, depending on how growth and open lands are managed and protected.

California's projected growth raises many of these same concerns about the forms this growth takes and implications of these forms on use of resources. Will our growth be concentrated in areas served by essential, existing infrastructure, or will it sprawl out into rural and natural areas, such as farms, forests, and deserts? Both southern and northern California have seen the rate of land development far outpace the rate of population growth. This trend has resulted in huge losses of prime farmland, valuable habitat, recreation areas, and the ecosystem services these lands provide.

California has recognized the need for its fast growing regions to plan for and manage growth in ways that utilize land and resources efficiently. The state created the regional *Blueprint* Program to promote new approaches that can better guide the preparations for this growth future. Metropolitan Planning Organizations and other entities around the state have responded to this call for comprehensive planning by launching new regional planning initiatives that broadly consider the key inter-relationships of air, land, housing, transportation, water, solid waste, open space and habitat, the economy, and emergency preparedness. For example, SCAG's Compass *Blueprint* strategy, a companion effort to development of an updated Regional Comprehensive Plan, presents a vision where the region's future growth can be accommodated in less than 2% of the total land area by focusing it in existing centers and transit corridors. Thirteen other regions around the state have undertaken similar efforts within the *Blueprint* framework.

This planning framework is guiding the update of SCAG's Regional Transportation Plan and other planning efforts that serve to reduce greenhouse gas emissions and protect natural resources as growth occurs. SCAG already uses this preferred growth strategy to guide transportation investments, focus housing needs, and plan for air quality attainment. Using this growth strategy also addresses the region's ability to successfully meet its obligations under AB32 and PM 2.5 attainment. All of these investment and resources areas are subject to Program Environmental Impact Reviews.

Water Resources Planning in a Larger Context: In the natural resources area, for example, climate change and persistent environmental challenges are impacting water resources in every region of the state where large-scale *Blueprint* planning is done. How growth is directed and managed has enormous implications for the state's water future. Concentrated growth, in transit-oriented and "walkable" (pedestrian friendly) communities, utilizes resources more effectively. Growth dispersal requires development of extensive and costly new infrastructure, increases landscaping demands, increases impervious surface in every watershed, and separates water treatment facilities from consumers, making recycling and reuse more difficult. Dispersed development also consumes valuable open space, which has significant consequences for water supply, as groundwater recharge areas are covered with impervious surface.

Unmanaged and dispersed growth also contributes to degraded water quality. As stormwater runoff collects pollutants from developed land, it flows into creeks and streams and rivers, eventually contaminating our harbors, bays, and oceans. Watershed planning studies show that water quality is impaired when more than 10 percent of a watershed is covered with impervious surfaces; at 30 percent of impervious cover, water quality in that watershed will be severely impaired.

Concentrated growth patterns also have a salutary effect on the interrelationships between transportation, greenhouse gasses, and water supply. Reducing automobile trips, with attendant reductions in greenhouse gasses and climate change impacts, will result in less severe pressure on the

state's water supplies and infrastructure in the future. Concentrating development also improves energy efficiencies, further reducing greenhouse gas emissions and associated water resource impacts.

Managing Resources with Blueprint Planning

It is important that the *Blueprint* growth management principles now be integrated with regional resource planning and implementation. This represents a higher level of integration than mere agency cooperation in competition for project funding within water management areas. This integration requires a state-endorsed, locally driven and regionally comprehensive planning framework that brings jurisdictions and competing interests out of their silos and into large-scale collaboration.

Some guidance for developing this kind of framework is in the findings of two recent studies done by the National Academy of Public Administration (NAPA), one focused on new ways to set budget and project priorities for the Army Corps of Engineers and the other on the need for a "systems" approach with USEPA actions if environmental protection is going to be achieved in water quality. Both studies developed their findings within the context of comprehensive watershed planning and management and the importance of minimizing conflicts and encouraging collaborations and partnerships.

The systems approach means a shift in philosophy and measurements of success from achieving project goals to achieving system-wide goals, from measuring project outputs to system outcomes. The focus of investment and planning decisions needs to be overall performance outcomes, not simply project completion. This approach results in both better projects and in a ranking system for prioritizing projects, based on their benefit in furthering system-wide goals and making more effective use of economic and natural resources.

In the absence of such a planning framework, competing interests battle for control of projects, while the health of the larger system is often ignored. In a systems approach, competing interests are balanced by an objective priority development process focused on consensus-derived goals.

Such a planning framework begins with the formation of those system-wide goals, created through a multi-stakeholder engagement process that identifies the key issues, goals, and performance measures that will be used in creating a resource management plan. The effectiveness of resource plans that are linked with performance outcomes is seen in their ability to meet both short-term and long-term goals. Without this linkage, short-term and long-term goals are often in head-to-head competition for attention and investment. Conversely, with this linkage, a project prioritization strategy (short-term goals) aids in identifying and implementing projects that further the system-wide outcomes (long-term goals).

In order to deal with the uncertainty inherent in the long-range planning, in addition to the added complications of growth and climate change, this planning framework needs a management tool that provides a measure of stability and improves the plan's efficacy. That tool, as described in the NAPA findings, is adaptive management: an ongoing, iterative technique that allows the planning and implementation processes to be improved and corrected on an ongoing basis. Adaptive management eliminates the need to create an entirely new plan when shifts in conditions or direction occur.

It is essential that a large-scale process like this be implemented at the regional level. For example, water and natural resource issues are at the watershed and multi-watershed scale. Usually this scale is quite indifferent to political boundaries, particularly when growth impacts occur across these boundaries. Accordingly, effective watershed-scale planning has several characteristics:

- It has a geographic scope sufficiently large to address all impacts
- It focuses on addressing multiple objectives

- It is based on the health of the entire system
- It is a participatory and inclusive process, involving the full range of watershed stakeholders and the public
- It utilizes the best available science in setting goals and outcomes, and in monitoring efforts
- It is feasible, flexible and adaptive, and is driven by performance outcomes within financial constraints

Getting Real About Cooperative and Continuous Comprehensive Planning

In order for this scale of regional planning to succeed, the state must link state and other funding and approvals to a proposed project's consistency with its regional *Blueprint* planning process. Since this scale of planning is only now emerging, these efforts will need coordination between the ongoing efforts of state water planning and *Regional Blueprint* planning. Support will be needed to assist with this integration as a more comprehensive program is established. This support, at least in the near term, will be the most effective way for the state to exert constructive leadership in areas of policy and planning related to growth and resources, smart infrastructure, and environmental sustainability.

This new kind of planning process will require a new level of creative interchange between public and private interests and other institutions. It will depend on broad participation in policy development and plan priorities that are unprecedented within most regions. Without this extensive degree of participation any plans or policies will fail to develop the depth of "ownership" that are indispensable to a *Blueprint's* credibility and capacity to guide public and private investments.

Creative interchange across such a wide landscape of interests and institutions will certainly face very real complexities and difficulties: it will challenge deeply rooted patterns and inertias that now operate in a dispersed planning environment where individual projects face funding rivalries and the potentials for local partisanship-pro and con.

These difficulties can be best addressed by the presentation to all regional stakeholders of thorough assessments of current trends, along with alternative future scenarios within each region, much as is now done in Regional Transportation Plans with alternatives analysis. With these assessments, regional decision makers would have information needed for holistic thinking and planning in a more expansive (regional) jurisdictional context.

Essential to the success of these efforts, however, is the collaborative nature of the process. Conflicts that frequently occur between "regulators" and "the regulated" are examples of existing dysfunctional patterns that divert energy and effort from problem solving and constructive progress. Larger scale problem assessments and resolution, considering serious fiscal and other constraints, put a high premium on collaboration rather than conflict.

Regional growth trends, transportation investments, and air quality conformity are already integrated into the Regional Transportation Plan policy framework, since the goals of all three areas are interrelated. Resource planning is also interrelated, but has, until now, been left out of this mix. Water planning is also integrated, insofar as water and other agencies are beginning to work together to forge common goals for watershed management and related projects. The California Resources Agency has been making efforts to combine resource planning with growth and transportation objectives, just as water resource planning should now be integrated into the *Blueprint* planning process.

The water community of California will require state guidance and support to integrate its planning efforts into this larger framework. Supplemental grant money should be made available to water

planning agencies to integrate their planning efforts with the *Blueprint* process. Furthermore, the state needs to support this expanded *Blueprint* process by requiring the inclusion of integrated water resource planning in the larger *Blueprint* policy strategy.

In order to create a realistic framework for planning and implementation, it is essential that these efforts operate within a context of financial constraints, much as transportation infrastructure planning operates within a financially constrained model. Separate funding streams currently exist for water planning and regional *Blueprint* planning. Integrating these processes would increase the overall funding stream and likely create some external economies of scale for stretching planning dollars further.

Part of the funding model for Metropolitan Planning Organizations (MPOs) is a cross-governmental funding stream, combining federal, state, and local monies and professional resources. This is another source of funding for integrated planning efforts that uses a financially constrained model that favors realism and can leverage local and federal funds with state investments. Combining existing funding streams and using them to leverage additional matching funding from local and federal government can go that much further to close the fiscal funding gaps noted in the NAPA paper and infrastructure budgets everywhere.

Characteristics of Cooperative and Continuous Comprehensive Planning

The regional *Blueprint* planning horizon needs to be 20 years or longer. A Plan must of course account for the unique characteristics of each region, highlighting areas with specific needs, such as the Bay Delta estuary in the Central Valley. Goals, targets, and performance outcomes would be developed among the regional stakeholders that target those regional needs and create strategies and alternatives to accomplish the regional goals.

In general, then, a more comprehensive *Blueprint* Plan and strategy would be a broad policy document that defines the region's goals for the system, recognizes its challenges, and identifies agencies and inter-agency groups responsible for addressing those challenges and achieving the goals. Those agencies and other appropriate entities can then develop projects that best achieve the system goals. When done successfully, agencies are clear about the goals, what the performance outcomes are, and which agency (or agencies) is responsible for implementation and monitoring. As results from projects are evaluated against long-term goals and emerging scientific knowledge, project selection criteria and prioritization can be shifted as needed, within the larger, flexible, strategic *Blueprint* Plan.